VZCZCXYZ0001 PP RUEHWEB

DE RUEHKG #1036/01 1841932 ZNY CCCCC ZZH P 031932Z JUL 07 FM AMEMBASSY KINGSTON TO RUEHC/SECSTATE WASHDC PRIORITY 4998 INFO RUCNCOM/EC CARICOM COLLECTIVE

C O N F I D E N T I A L KINGSTON 001036

STPDTS

SIPDIS

STATE FOR WHA/CAR (RBUDDEN)

E.O. 12958: DECL: 07/02/2017

TAGS: ECON ENRG JM KCOR PGOV PINR PREL SOCI VE XL

SUBJECT: JAMAICA: JLP'S GENERAL SECRETARY SPEAKS FRANKLY

ABOUT JAMAICA/ELECTIONS

Classified By: Ambassador Brenda L. Johnson for reasons 1.5 (b) and (d)

11. (SBU) Deputy Director for WHA/CAR Karen Williams, DCM, and poloff recently met with Karl Samuda - MP and General Secretary for the Jamaican Labour Party (JLP). Samuda spoke

SIPDIS

frankly about the state of Jamaica and proposed changes to the Government of Jamaica (GOJ) should the JLP win. He also openly - and optimistically - spoke about the prospects of a JLP victory in the upcoming elections. Samuda is a longtime political player who has consistently won his constituency - both as a member of the JLP and as a member of the People's National Party (PNP). Samuda is also one of the last of the "old guard" party members whose experience in Jamaican politics has been tempered by both his age and his desire to leave active political life with a positive legacy.

"We've Bred a Generation of Beggars"

12. (C) Samuda pulled no punches when he described the current state of Jamaican social, economic, and political life under 18 years of PNP rule. Jamaicans, he stated, are "begging their way through life." Laying the blame for the development of a dependent culture squarely on the PNP, Samuda identified the decay of Jamaican society as the result of the introduction of socialism to Jamaica under the PNP. Under socialism, he argued, Jamaicans developed a sense that "the state owes you something." Samuda declared that the PNP is still full of "unrepentant socialists" who are attempting to move the GOJ closer to Venezuela and Hugo Chavez. This move, he argued, is still largely "stealth" as the GOJ cannot show "overt ideological similarities with Venezuela" nor can they show they want to "become more socialist" as Samuda predicted that would cause a "massive financial flight from Jamaica." Instead, Samuda stated that Chavez will try to "creep in" with less of a revolution and more of a gradual, subtle change back to socialism. Samuda stated he "had no doubt that Hugo Chavez will drop U.S. dollars into Jamaica to help PNP win the election" further noting (forcefully) "that man is a communist!"

Crime and Corruption: "No Quick Fix"

13. (C) Should the JLP win the upcoming elections, Samuda stated that curbing crime and good governance would be a top priority stating simply "break the law, go to jail." Under a JLP-led government, Samuda promised a greater collaboration with both the U.S. and the UK in tackling crime, drug trafficking, and corruption. He also stated the JLP would:

work to reduce the time between the criminal act and ultimate punishment (NOTE: Jamaican courts are notoriously over-burdened with cases taking years to make their way through the judicial process. END NOTE); provide greater resources dedicated to equipment upgrades and training for law enforcement officers; engender greater involvement of the island's security forces; strengthen the witness protection program; target the heads of the top criminal organizations; and "hang people" (NOTE: Jamaican law provides for execution by hanging for certain offenses; however, it was last utilized on February 18, 1988. END NOTE). Samuda conceded that these changes would not happen quickly. "We need to restore law, a sense of morality" which, according to Samuda, may take years. Additionally, Samuda agreed that corruption has become endemic throughout the GOJ and the island, but stated that the JLP's plan "can't work if you make exceptions because your friends are involved." Samuda promised that JLP members would be asked whether they "are on the side of law or the side of compromise?" When pressed further about ridding the JLP of members who are either corrupt or connected to criminal enterprises, Samuda stated "Any JLP MP involved in crime or corruption are out!" He quickly added a caveat, however, stating that any offense must be provable in a court of law. Hence, the "Caesar's Wife" rule for appearance of impropriety has been ruled out for the JLP.

Focusing on Education and Business

14. (C) Samuda outlined the two major campaign issues for the JLP: education and business. The JLP is promising the removal of all school fees. Samuda noted that this can be paid for by reducing interest charges on domestic debt by 1 percent - a tactic Samuda claims was used by the PNP to fund Cricket World Cup (NOTE: According to contacts at the Ministry of Finance, the PNP funded Cricket World Cup through a combination of grants and loans. END NOTE). Samuda stated

that a reduction of one percent would result in approximately USD 46 million in savings. (COMMENT: Reducing the interest charge cannot occur by fiat. Instead, the JLP would need to create a positive environment that would cause the Central Bank to reduce interest rates. END COMMENT). Beyond abolishing school fees, Samuda is less clear about education reform. The JLP has made frequent statements about the need to professionalize teachers, stop the flight of highly-skilled teachers to other nations, and graduate students who are able to compete in the job market. Details of how to accomplish this, however, have not been publicized. Samuda was also unable to provide details beyond acknowledging a need to improve education.

15. (C) On changes to the business community/climate, Samuda was much clearer. Businessmen, Samuda argued, are uncomfortable with the idea of another PNP government. PNP, according to Samuda, believes that businessmen are corrupt; therefore, the PNP weighs down the business community with more and more rules and regulations to "keep them from cheating people." The JLP, Samuda stated, believes the opposite: businessmen are basically honest and should not be subject to overly burdensome regulations. While noting that the JLP will "have severe consequences for those (businessmen) who violate the law," Samuda stated the JLP will loosen the regulatory environment. Samuda specifically mentioned the need to reduce duties and reduce the amount of time (and number of offices) any businessmen must pay and visit in order to have a simple exchange (e.g., to sell property can take years. Samuda proposes to mandate that all such exchanges take place within a 90 day period). Samuda also lamented that the GOJ presides over only about 60 percent of the economy at present. In addition to criminal activities (such as drug trafficking), Jamaica has a highly developed informal economy of small merchants and traders who do not pay taxes on their income. He reported that the JLP is undergoing an internal debate on whether or not a consumption tax should replace the current income tax in order to capture a broader spectrum of the economy. On

CARICOM, Samuda stated "we don't see introducing a common economy" under a JLP government; however, the JLP supports working together as a block on other issues such as trade. Samuda also stated that the JLP plans to convert more arable land to production proclaiming "we could become the bread basket of the Caribbean."

Electioneering

16. (C) Samuda is optimistic about the upcoming general elections. With the exception of Dr. Aubyn Bartlett (MP for St. Andrew Eastern) who may not win re-election, Samuda confirmed that internal JLP polling shows a swing of 5-8 percent in most constituencies. Samuda conceded that part of the JLP's upturn is a result of the PNP being in power for 18 years. National polls have consistently shown the PNP - and Prime Minister Portia Simpson Miller (PSM) - with a lead over the JLP. Samuda noted that the polls are contradictory and, in particular, Bill Johnson (the most well-known of the pollsters) was originally brought to Jamaica to do internal polling for the PNP. Samuda considers him nothing but a PR vehicle" (NOTE: Samuda's comment is not off the mark. Media has reported that Johnson routinely attends PNP executive meetings to personally brief PNP leaders on the status of their candidates throughout Jamaica). Samuda does acknowledge that PSM is very popular - and Jamaicans are attracted to popular people. According to Samuda, however, what JLP leader Bruce Golding lacks in popularity will be "picked-up with our groundwork and the popularity of individual JLP candidates.

Comment

17. (C) Samuda is an affable, direct man who is genuinely concerned about his "legacy" - both to the JLP and Jamaica. Throughout the meeting, he continually referenced his "advancing age" and his belief that this election represents his "last chance" to make a difference. His distaste for the PNP was also palpable. He strongly believes that Jamaica - under PNP leadership - has created a society of destitutes, criminals, and beggars. The JLP has campaigned on a motto of "Time for a Change" and, so far, those four words seem to have resonated with a sizable chunk of the population. The JLP has also benefited from the PNP's scandals and miscalculations. The PNP was not able to finalize all 60 of their candidates until June 24 as scandal and unpopularity seemed to result in a new bad headline for them every other day. Ultimately, the JLP may win this election based solely

on their campaign slogan as reports from the constituencies (including reports from PNP organizers themselves) seem to confirm that the PNP party faithful are not lining up as in past elections. Rather than crossing party lines and voting for the JLP, however, they may decide to simply stay home on election day and wait for the change.

18. (C) Samuda reported that on the "first day of a JLP government, we will undertake a total audit of every ministry including the number of people who work there, the budget, etc..." He noted they will face a struggle with the unions. (NOTE: That, in itself, highlights how far the JLP has moved from its roots - as merely an arm of several powerful trade unions. END NOTE). The review of all ministries under a JLP victory will pose a challenge for Post. With the PNP in power for 18 years, long-standing relationships with valuable government contacts have blossomed. These include contacts at the Permanent Secretary level. Although civil servants (and, theoretically, removed from party politics), they have worked under the same government for 18 years. While the JLP may have difficulty in removing individuals altogether, they in all likelihood will undertake a major government shuffle in an attempt to remove any bureaucrats they believe (rightly or wrongly) sympathize with the PNP.

JOHNSON